

Keith C. Owens (Bar No 184841)
Nicholas A. Koffroth (Bar No. 287854)
FOX ROTHSCHILD LLP
10250 Constellation Blvd., Suite 900
Los Angeles, CA 90067
Telephone: (310) 598-4150
Facsimile: (310) 556-9828
kowens@foxrothschild.com
nkoffroth@foxrothschild.com

Counsel for Official Committee of Unsecured Creditors

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
SANTA ANA DIVISION**

In re:

Chapter 11

THE LITIGATION PRACTICE GROUP,
P.C.,

Case No. 8:23-bk-10571-SC

Debtor.

**STATUS REPORT OF THE OFFICIAL
COMMITTEE OF UNSECURED
CREDITORS CONCERNING MORNING
LAW GROUP, P.C.**

[No Hearing Currently Requested]

1 The Official Committee of Unsecured Creditors (the “Committee”) of The Litigation Practice
2 Group P.C. (the “Debtor”), in the above-referenced bankruptcy case (the “Bankruptcy Case”) pending
3 under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”)¹ hereby submits this
4 status report in connection with the Court’s request to the Morning Law Group, P.C. (“MLG”)
5 concerning the status of the sale, payment of the related purchase price, and timing related thereto.
6 In support of this status report, the Committee respectfully states as follows:

STATUS REPORT

8 On May 15, 2024, the Court held a status conference in the Bankruptcy Case. At the status
9 conference, the Court requested, through the Court-appointed monitor, Nancy Rapaport, that MLG
10 file a status report concerning, among other things, the status, timing, and amount of payments owing
11 under that certain *Agreement of Purchase and Sale and Joint Escrow Instructions* [Docket No. 416]
12 (the “APA”) approved by the Court, pursuant to that certain order [Docket No. 352] (the “Sale
13 Order”).

On May 29, 2024, MLG filed the status report [Docket No. 1259] in response to the Court's request. The Committee reserves all rights with respect to the MLG status report. The Committee has learned of potential disputes concerning the APA, the estimation of payments under the APA, and timing issues related to such payments. The Committee's efforts to obtain further clarity on these disputes informally have not been fruitful but remain ongoing.

19 On May 29, 2024, the Committee served on MLG a notice of demand for certain financial
20 information necessary to compute payments and timing under the APA, pursuant to § 2(b) of the APA
21 and as consistent with the covenants and representations set forth in § 12(p) and (q) of the APA.
22 Pursuant to § 2(b) of the APA, MLG has five business days to respond to the request for information,
23 *i.e.*, June 5, 2024, and provides that the Court shall be the sole forum for resolution of any dispute
24 related thereto. The Committee fully expects that MLG will comply with the request. Nevertheless,
25 in the interest of completeness, the Committee reserves all rights to bring any dispute concerning such
26 disclosures before the Court on an emergency basis following the conclusion of the responsive

²⁸ ¹ Unless otherwise noted, all references to “Section” or “§” refer to a section of the Bankruptcy Code.

1 deadline under the APA, subject to any responses or objections interposed by MLG.

2 The Committee intends to keep the Court apprised of any relevant developments, as
3 appropriate.

4 **CONCLUSION**

5 The information requested of MLG by the Court and the Committee remains essential to a
6 complete understanding of potential recoveries in this Bankruptcy Case. The Committee remains
7 supportive of the efforts of MLG to continue providing services to certain of the Debtor's former
8 clients and expects prompt and administratively efficient clarification, disclosure, and resolution of
9 any dispute arising under the APA. The Committee will supplement this status report as appropriate
10 and reserves all rights.

11 Respectfully submitted on this 31st day of May, 2024.

12 **FOX ROTHSCHILD LLP**

13 By: /s/ Nicholas A. Koffroth
14 Keith C. Owens (Bar No. 184841)
15 Nicholas A. Koffroth (Bar No. 287854)
16 Constellation Place
17 10250 Constellation Blvd., Suite 900
18 Los Angeles, California 90067
19 *Counsel for the Committee*

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is 10250 Constellation Boulevard, Suite 900, Los Angeles, CA 90067.

A true and correct copy of the foregoing documents entitled: STATUS REPORT OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS CONCERNING MORNING LAW GROUP, P.C. on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On 5/31/2024, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Bradford Barnhardt bbarnhardt@marshackhays.com, bbarnhardt@ecf.courtdrive.com, alinares@ecf.courtdrive.com
 - Eric Bensamochan eric@eblawfirm.us, G63723@notify.cincompass.com
 - Michael Jay Berger michael.berger@bankruptcypower.com, yathida.nipha@bankruptcypower.com; michael.berger@ecf.inforuptcy.com
 - Ethan J Birnberg birnberg@portersimon.com, reich@portersimon.com
 - Peter W Bowie peter.bowie@dinsmore.com, caron.burke@dinsmore.com
 - Ronald K Brown ron@rkbrownlaw.com
 - Christopher Celentino christopher.celentino@dinsmore.com, caron.burke@dinsmore.com
 - Shawn M Christianson cmcintire@buchalter.com, schristianson@buchalter.com
 - Randall Baldwin Clark rbc@randallbclark.com
 - Leslie A Cohen leslie@lesliecohenlaw.com, jaime@lesliecohenlaw.com; clare@lesliecohenlaw.com
 - Michael W Davis mdavis@dtolaw.com, ygodson@dtolaw.com
 - Anthony Paul Diehl anthony@apdlaw.net, Diehl.AnthonyB112492@notify.bestcase.com, ecf@apdlaw.net
 - Jenny L Doling jd@jdl.law, dolingjr92080@notify.bestcase.com; 15994@notices.nextchapterbk.com; jdoling@jubileebk.net
 - Daniel A Edelman dedelman@edcombs.com, courtecl@edcombs.com
 - Meredith Fahn fahn@sbcglobal.net
 - William P Fennell william.fennell@fennelllaw.com, luralene.schultz@fennelllaw.com; wpf@ecf.courtdrive.com; hala.hamm@fennelllaw.com; naomi.c.walinski@fennelllaw.com; samantha.larimer@fennelllaw.com
 - Alan W Forsley alan.forsley@flpllp.com, awf@fkllawfirm.com, awf@fl-lawyers.net, addy@flpllp.com
 - Marc C Forsythe mforsythe@goeforlaw.com, mforsythe@goeforlaw.com; dcyrankowski@goeforlaw.com
 - Jeremy Freedman jeremy.freedman@dinsmore.com, nicolette.murphy@dinsmore.com
 - Eric Gassman erg@gassmanlawgroup.com, gassman.ericb112993@notify.bestcase.com
 - Christopher Ghio christopher.ghio@dinsmore.com, nicolette.murphy@dinsmore.com; angelica.urena@dinsmore.com; deamira.romo@dinsmore.com
 - Amy Lynn Ginsburg efilings@ginsburglawgroup.com
 - Eric D Goldberg eric.goldberg@dlapiper.com, eric-goldberg-1103@ecf.pacerpro.com
 - Jeffrey I Golden jgolden@go2.law, kadele@ecf.courtdrive.com; cbmeeker@gmail.com; lbracken@wglp.com; dfitzgerald@go2.law; golden.jeffreyi.b117954@notify.bestcase.com
 - Richard H Golubow rgolubow@wghlawyers.com, jmartinez@wghlawyers.com; svillegas@wghlawyers.com

- 1 • Mark Mark Good mark@markgood.com
- 2 • David M Goodrich dgoodrich@goodrich.law,
kadele@goodrich.law;dfitzgerald@goodrich.law;wgllp@ecf.courtdrive.com
- 3 • D Edward Hays ehays@marshackhays.com,
ehays@ecf.courtdrive.com;alinares@ecf.courtdrive.com;cmendoza@marshackhays.com;cmendoz
a@ecf.courtdrive.com
- 4 • Alan Craig Hochheiser ahochheiser@mauricewutscher.com, arodriguez@mauricewutscher.com
- 5 • Garrick A Hollander ghollander@wghlawyers.com,
jmartinez@wghlawyers.com;svillegas@wghlawyers.com
- 6 • Brian L Holman b.holman@musickpeeler.com
- 7 • Richard L. Hyde rhyde@awglaw.com
- 8 • Peter L Isola pisola@hinshawlaw.com, rmojica@hinshawlaw.com, iking@hinshawlaw.com
- 9 • Razmig Izakelian razmigizakelian@quinnemanuel.com
- 10 • Sara Johnston sara.johnston@dinsmore.com
- 11 • Sweeney Kelly kelly@ksgklaw.com
- 12 • Joon M Khang joon@khanglaw.com
- 13 • Ira David Kharasch ikharasch@pszjlaw.com
- 14 • Meredith King mking@fsl.law, ssanchez@fsl.law, jwilson@fsl.law
- 15 • Nicholas A Koffroth nkoffroth@foxrothschild.com, khoang@foxrothschild.com
- 16 • David S Kupetz David.Kupetz@lockelord.com, mylene.ruiz@lockelord.com
- 17 • Christopher J Langley chris@slclawoffice.com,
langleycr75251@notify.bestcase.com;ecf123@casedriver.com;john@slclawoffice.com
- 18 • Kelli Ann Lee Kelli.lee@dinsmore.com, kristy.allen@dinsmore.com
- 19 • Matthew A Lesnick matt@lesnickprince.com,
matt@ecf.inforuptcy.com;jmack@lesnickprince.com
- 20 • Daniel A Lev daniel.lev@gmlaw.com, cheryl.caldwell@gmlaw.com; dlev@ecf.courtdrive.com
- 21 • Britteny Leyva bleyva@mayerbrown.com,
2396393420@filings.docketbird.com; KAWhite@mayerbrown.com; ladocket@mayerbrown.com
- 22 • Marc A Lieberman marc.lieberman@flpllp.com, safaa.saleem@flpllp.com, addy@flpllp.com
- 23 • Michael D Lieberman mlieberman@lipsonneilson.com
- 24 • Yosina M Lissebeck Yosina.Lissebeck@Dinsmore.com, caron.burke@dinsmore.com
- 25 • Mitchell B Ludwig mbl@kpcclegal.com, kad@kpcclegal.com
- 26 • Daniel S March marchlawoffice@gmail.com, marchdr94019@notify.bestcase.com
- 27 • Kathleen P March kmarch@bkylawfirm.com, kmarch3@sbcglobal.net, kmarch@sbcglobal.net
- 28 • Mark J Markus bklawr@bklaw.com,
markjmarkus@gmail.com; markus.markj.r112926@notify.bestcase.com
- 29 • Richard A Marshack (TR) pkraus@marshackhays.com, ecf.alert+Marshack@titlexi.com
- 30 • Laila Masud lmasud@marshackhays.com,
lmasud@ecf.courtdrive.com; lbuchanan@marshackhays.com; alinares@ecf.courtdrive.com
- 31 • Sarah S. Mattingly sarah.mattingly@dinsmore.com
- 32 • William McCormick Bill.McCormick@ag.tn.gov
- 33 • Kenneth Miskin Kenneth.M.Miskin@usdoj.gov
- 34 • Byron Z Moldo bmoldo@ecjlaw.com, aantonio@ecjlaw.com, dperez@ecjlaw.com
- 35 • Glenn D. Moses gmoses@venable.com,
cascavone@venable.com; ipmalcolm@venable.com; jadelgado@venable.com
- 36 • Jamie D Mottola Jamie.Mottola@dinsmore.com, jhanawalt@ecf.inforuptcy.com
- 37 • Alan I Nahmias anahmias@mbn.law, jdale@mbn.law
- 38 • Victoria Newmark vnewmark@pszjlaw.com
- 39 • Jacob Newsom-Bothamley jacob.bothamley@dinsmore.com,
angelica.urena@dinsmore.com; deamira.romo@dinsmore.com
- 40 • Queenie K Ng queenie.k.ng@usdoj.gov
- 41 • Israel Orozco israel@iolawcorp.com
- 42 • Keith C Owens kowens@foxrothschild.com, khoang@foxrothschild.com
- 43 • Lisa Patel lpatel@lesnickprince.com, jmack@lesnickprince.com; jnavarro@lesnickprince.com

- 1 • Michael R Pinkston rpinkston@seyfarth.com,
2 jmcdermott@seyfarth.com,sfcalendar@seyfarth.com,5314522420@filings.docketbird.com,bankr
3 uptcydocket@seyfarth.com
- 4 • Douglas A Plazak dplazak@rhlaw.com
- 5 • Tyler Powell tyler.powell@dinsmore.com,
6 jennifer.pitcock@dinsmore.com;rosetta.mitchell@dinsmore.com
- 7 • Daniel H Reiss dhr@lnbyg.com, dhr@ecf.inforuptcy.com
- 8 • Ronald N Richards ron@ronaldrichards.com, 7206828420@filings.docketbird.com
- 9 • Vanessa Rodriguez vanessa.rodriguez@dinsmore.com, angelica.urena@dinsmore.com
- 10 • Kevin Alan Rogers krogers@wellsmar.com
- 11 • Gregory M Salvato gsavato@salvatoboufadel.com,
12 calendar@salvatolawoffices.com;jboufadel@salvatoboufadel.com;gsavato@ecf.inforuptcy.com
- 13 • Olivia Scott olivia.scott3@bclplaw.com
- 14 • Jonathan Serrano jonathan.serrano@dinsmore.com
- 15 • Maureen J Shanahan Mstotaro@aol.com
- 16 • Paul R Shankman PShankman@fortislaw.com, info@fortislaw.com
- 17 • Zev Shechtman Zev.Shechtman@saul.com,
18 zshechtman@ecf.inforuptcy.com;easter.santamaria@saul.com
- 19 • Jeffrey M Singletary jsingletary@swlaw.com, rmckay@swlaw.com
- 20 • Leslie Skorheim leslie.skorheim@usdoj.gov
- 21 • Adam D Stein-Sapir info@pfllc.com
- 22 • Howard Steinberg steinbergh@gtlaw.com, pearsallt@gtlaw.com;NEF-BK@gtlaw.com;howard-
23 steinberg-6096@ecf.pacerpro.com
- 24 • Andrew Still astill@swlaw.com, kcollins@swlaw.com
- 25 • Michael R Totaro Ocbkatty@aol.com
- 26 • United States Trustee (SA) ustpregion16.sa.ecf@usdoj.gov
- 27 • William J Wall wwall@wall-law.com
- 28 • Sharon Z. Weiss sharon.weiss@bclplaw.com,
29 raul.morales@bclplaw.com,REC_KM_ECF_SMO@bclplaw.com
- 30 • Johnny White JWhite@wrslawyers.com, jlee@wrslawyers.com
- 31 • Reina Zepeda rzepeda@omniagnt.com

2. **SERVED BY UNITED STATES MAIL:** On 5/31/2024, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows.

Debtor
The Litigation Practice Group P.C.
17542 17th St., Suite 100
Tustin, CA 92780

See attached for additional parties

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on 5/31/2024, I served the following persons and/or entities by personal delivery, mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

The Honorable Scott C. Clarkson
United States Bankruptcy Court, Central District of California
411 West Fourth Street, Suite 5130 / Courtroom 5C
Santa Ana, CA 92701-4593

1 I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

2 5/29/2024

Kimberly Hoang

3 Date

Printed Name

/s/ Kimberly Hoang

Signature

7 **Additional Parties Served by U.S. Mail**

8 **Creditors who have the 20 largest unsecured claims**

9 Debt Validation Fund II, LLC
10 5075 Lower Valley Road,
Atglen, PA 19310

11 MC DVI Fund 1, LLC; MC
12 DVI Fund 2, LLC
598 Cottonwood Dr.,
13 Glenview, IL 60026

14 Validation Partners LLC
1300 Sawgrass Pkwy, Ste. 110
15 Sunrise, FL 33323

16 Marich Bein LLC
99 Wall Street, Ste 2669
17 New York, NY 10005

18 Business Centers of America
1100 Sir Francis Drake Blvd,
19 Ste 1, Kentfield, CA 94904

20 JP Morgan Chase
3 Park Plaza, Ste 900
21 Irvine, CA 92614

22 CA Franchise Tax Board
PO Box 942857
23 Sacramento, CA 94257-0511

24 Outsource Accelerator Ltd
City Marque Limited
25 Unit 8801-2 Bldg. 244-248
Des Voeux Rd.
26 Central Hong Kong

27 Collaboration Advisors
400 Dorla Court
28 Zephyr Cove, NV 89448

Anthem Blue Cross

1 PO Box 511300
2 Los Angeles, CA 90051-7855

3 Azevedo Solutions Groups, Inc.
4 420 Adobe Canyon Rd.
Kenwood, CA 95452

5 Debt Pay Pro
1900 E Golf Road, Suite 550
Schaumburg, IL 60173

6 Sharp Business Systems
7 8670 Argent St
Santee, CA 92071

8 Tustin Executive Center
9 1630 S Sunkist Street, Ste A
Anaheim, CA 92806

10 Exela Enterprise Solutions
11 2701 E. Grauwylter Road
Irving, TX 75061

12 Netsuite-Oracle
13 2300 Oracle Way
Austin, TX 78741

14 Credit Reporting Service Inc
15 548 Market St, Suite 72907
San Francisco, CA 94104-5401

16 Document Fulfillment Services
17 2930 Ramona Ave #100
Sacramento, CA 95826

18 Executive Center LLC
19 5960 South Jones Blvd
Las Vegas, NV 89118

20 LexisNexus
21 15500 B Rockfield Blvd
Irvine, CA 92618

23 **Secured Creditors**

24 Diverse Capital LLC
25 323 Sunny Isles Blvd., Suite 503
Sunny Isles, FL 33154

26 City Capital NY
27 1135 Kane Concourse
Bay Harbour Islands, FL 33154

1 Counsel for secured creditor Fundura Capital Group
2 Mitchell B. Ludwig
3 Knapp, Petersen & Clarke
550 North Brand Blvd., Suite 1500
3 Glendale, CA 91203

4 Counsel for Debt Validation Fund II, LLC,
5 MC DVI Fund 1, LLC, and MC DVI Fund 2, LLC
5 Barry Cappello
6 David L. Cousineau
6 Cappello Noel LLP
7 831 State Street
7 Santa Barbara, CA 93101

8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28